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UNITED STATES OF AMERICA

UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA  
WESTERN DIVISION

UNITED STATES OF AMERICA,	)	NO. CV 15-8173
Plaintiff,	)	
vs.	)	<u>VERIFIED COMPLAINT FOR</u>
	)	<u>FORFEITURE</u>
ONE 2014 ROLLS ROYCE WRAITH	)	18 U.S.C. § 981(a)(1)(A) and (C)
AND THREE WATCHES,	)	
Defendants.	)	[U.S.S.S.]
	)	
	)	

The United States of America brings this claim against the defendants One 2014 Rolls Royce Wraith and Three Watches, (the “defendant assets”), and alleges as follows:

1                                    JURISDICTION AND VENUE

2            1.        This is a civil forfeiture action brought pursuant to 18 U.S.C.  
3 § 981(a)(1)(A) and (C).

4            2.        This Court has jurisdiction over the matter pursuant to 28 U.S.C.  
5 §§ 1345 and 1355.

6            3.        Venue lies in this District pursuant to 28 U.S.C. § 1395(a).

7                                    PERSONS AND ENTITIES

8            4.        The plaintiff is the United States of America.

9            5.        The defendants are One 2014 Rolls Royce Wraith (registered to  
10 Zhanna Hovhannisyan and with Vehicle Identification Number  
11 SCA665C51EUX84757) and Three Watches (the “defendant watches”) seized  
12 during the execution of a federal search warrant by the Federal Bureau of  
13 Investigations (“FBI”) and the United States Secret Service (“USSS”) at a  
14 residential address in Glendale, California<sup>1</sup> on or about May 6, 2015.

15           6.        The defendant assets are currently in the custody of the United States  
16 Secret Service (“USSS”) in this District, where they shall remain subject to this  
17 Court’s jurisdiction during the pendency of this action.

18           7.        The interests of Artur Stepanyan (“Artur”), Syuzanna Stepanyan  
19 (“Syuzanna”), and Zhanna Hovhannisyan (“Hovhannisyan”) may be adversely  
20 affected by these proceedings.

21                                    EVIDENCE SUPPORTING FORFEITURE

22           8.        Beginning in at least 2007 through in or about April 2015, Artur and  
23 his cousin, Mihran Stepanyan (“Mihran”), engaged in a scheme to distribute  
24 diverted prescription drugs and launder the proceeds of that scheme. They  
25 conducted their scheme using a variety of business entities in the Los Angeles,  
26 California area, including: Panda Capital Group; Red Rock Capital; Trans Atlantic  
27

28           <sup>1</sup> The residence address has been omitted pursuant to Local Rule 5.2-1.

1 Capital; GC National Wholesale; Sky Atlantic Capital; and Nationwide Payment  
2 Solutions.

3 A. *Distribution of Improperly Procured Drugs*

4 9. The wholesale distribution of drugs in the United States and its  
5 territories is subject to federal and state regulation. Generally speaking, anyone  
6 seeking to engage in the distribution of pharmaceuticals must be licensed in the  
7 state and territory in which one does business. Licensing is required in order to  
8 ensure that drug distributors procure, handle, and store their drugs in a manner that  
9 ensures the drugs' effectiveness and safety. In addition, applicable laws and  
10 regulations require drug distributors to maintain strict records on the provenance of  
11 the drugs they sell. Such drug "pedigrees" must state, at a minimum, from whom  
12 the distributor purchased the drugs and are intended to allow for the origins of  
13 drugs to be readily determined, which is necessary to ensure the effectiveness and  
14 safety of the drugs, as well as to facilitate any drug recalls.

15 10. Beginning no later than in or about 2009, Mihran and Artur supplied  
16 David Miller ("Miller") and his drug wholesale business, Minnesota Independent  
17 Cooperative ("MIC"), with large amounts of regulated drugs. Rather than acquire  
18 their drugs lawfully from manufacturers and authorized distributors, Mihran and  
19 Artur instead procured the drugs they sold from unlicensed sources. In order to  
20 conceal their unlawful conduct and launder the proceeds, Mihran, Artur, and their  
21 associates conducted their drug sales through front companies such as Panda  
22 Capital Group, Red Rock Capital, Trans Atlantic Capital, GC National Wholesale,  
23 Sky Atlantic Capital, and Nationwide Payment Solutions. They also conducted  
24 their transactions using aliases. For example, Mihran conducted many of his drug  
25 sales using the names "George Cardashian" and "Zohrab Hovhannisyan" instead of  
26 his own true name.

27 11. Miller and his associates were aware that the drugs MIC purchased  
28 from Mihran and Artur had not been supplied through properly licensed channels.

1 MIC employees worked with Mihran and Artur in Southern California to package  
2 the drugs and send them from California to MIC in Minnesota via UPS. In order to  
3 conceal the unlawful nature of MIC's purchases, Miller and his associates created  
4 false drug pedigrees and invoices, as well as conducted MIC's drug purchases  
5 through front companies.

6 12. Since late 2014, a cooperating witness ("CW-1") worked with the FBI  
7 to provide information on Artur, Mihran, and Miller. On January 14, 2015, CW-1  
8 recorded a conversation with Mihran while Artur was present. CW-1 told Mihran  
9 that he/she did not have a license to distribute prescription drugs, yet Mihran  
10 agreed to purchase prescription drugs from SW-1.

11 13. Between approximately 2009 through in or about April 2015, MIC  
12 purchased more than \$157 million worth of drugs from Mihran and Artur.

13 *B. Money Laundering*

14 14. Mihran and Artur's drug distribution scheme generated substantial  
15 amounts of cash, and they sought to launder their illicit proceeds by transferring  
16 the money through various bank accounts opened under the names of various  
17 businesses and numerous individuals' identities. For this purpose, multiple  
18 fraudulent bank accounts and fraudulent businesses were set up by Artur and  
19 Mihran. Many of those bank accounts were established using the stolen identities  
20 of individuals.

21 15. For example, during this time period, a Citibank account in the name  
22 of GC National Wholesale, later determined to be controlled by Mihran using  
23 George Cardashian ("Cardashian") as an alias, was used to launder at least  
24 \$39,000,000.00 through the account. Funds were wired into the account and  
25 immediately wired out to third parties, including co-conspirators.

26 16. Also, Artur and Mihran liquidated much of the money received from  
27 illegal drug sales to MIC into cash or gold. Much of that liquidation was  
28 conducted using the false name of Cardashian or Hovhannisyan. Records from

1 Apmex, a gold dealer, show that in or about 2012, the Cardashian identity was  
2 used to buy approximately \$18.7 million worth of gold. More recently, in or about  
3 February 2015, the Hovhannisyan identity was used to buy approximately  
4 \$282,000.00 in gold from Apmex.

5 17. Bank and IRS records reveal that Artur and Mihran have no legitimate  
6 source of income; however, both individuals possess high-end luxury items,  
7 including the defendant assets.

8 *C. Rolls Royce Wraith*

9 18. On or about May 18, 2015, the USSS received documentation from  
10 the California DMV outlining the purchase of the defendant 2014 One Rolls Royce  
11 Wraith. These documents showed that Zhanna Hovhannisyan purchased the  
12 vehicle from 0199 Enterprises, LLC for \$90,000.00. Hovhannisyan is the mother  
13 of Artur's long time live-in girlfriend. Database searches determined that the  
14 actual Hovhannisyan left the United States in August 2014, with no record of a  
15 return. A query for Hovhannisyan's photograph and signature showed that the  
16 signature on Hovhannisyan's driver's license clearly did not match the signature  
17 provided on the title transfer documents.

18 19. On January 14, 2015, Artur drove to a meeting with Mihran and CW-  
19 1 in the defendant One 2014 Rolls Royce Wraith. Mihran told CW-1 during that  
20 meeting that he had purchased the vehicle as a present for Artur.

21 *D. Search Warrant Execution at Personal Residence Located in*  
22 *Glendale, California on or about May 6, 2015.*

23 20. On May 6, 2015, FBI and USSS agents executed multiple federal  
24 search and arrest warrants on multiple locations and persons, including Artur's  
25 home in Glendale, California. Agents located a Platinum Rolex Watch, a rose  
26 Gold Rolex Watch, and a Franck Muller Watch (i.e., the defendant watches). This  
27 property is proceeds of Artur's illegal schemes.  
28

1                                    FIRST CLAIM FOR RELIEF

2            21.    Based on the above, plaintiff alleges that the defendant assets were  
3 involved in one or more violations of 18 U.S.C. §§ 1956 (money laundering) or  
4 1957 (transactions in criminally-derived proceeds). The defendant assets are  
5 therefore subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A).

6                                    SECOND CLAIM FOR RELIEF

7            22.    Based on the above, plaintiff alleges that the defendant assets  
8 constitute or are derived from proceeds traceable to one or more violations of 18  
9 U.S.C. § 1341 (mail fraud). The defendant assets are therefore subject to forfeiture  
10 pursuant to 18 U.S.C. § 981(a)(1)(C).

11                                   THIRD CLAIM FOR RELIEF

12           23.    Based on the above, plaintiff alleges that the defendant assets  
13 constitute or are derived from proceeds traceable to one or more violations of 18  
14 U.S.C. § 1343 (wire fraud). The defendant assets are therefore subject to forfeiture  
15 pursuant to 18 U.S.C. § 981(a)(1)(C).

16           WHEREFORE, plaintiff United States of America prays:

- 17           (a)    that due process issue to enforce the forfeiture of the defendant assets;  
18           (b)    that due notice be given to all interested parties to appear and show  
19 cause why forfeiture should not be decreed;  
20           (c)    that this Court decree forfeiture of the defendant assets to the United  
21 States of America for disposition according to law; and

22           ///

23           ///

1 (d) for such other and further relief as this Court may deem just and  
2 proper, together with the costs and disbursements of this action.

3  
4 DATED: October 19, 2015

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Chief, Criminal Division  
STEVEN R. WELK  
Assistant United States Attorney  
Chief, Asset Forfeiture Section

8  
9 /s/Christen A. Sproule  
CHRISTEN A. SPROULE  
Assistant United States Attorney

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11 Attorneys for Plaintiff  
UNITED STATES OF AMERICA  
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VERIFICATION

I, Albert Kei, hereby declare that:

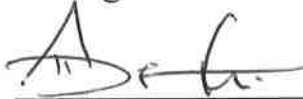
1. I am a Special Agent with the United States Secret Service and the case agent for the forfeiture matter entitled United States of America v. 2014 Rolls Royce Wraith and Three Watches.

2. I have read the above Verified Complaint for Forfeiture and know its contents. It is based upon my own personal knowledge and reports provided to me by other law enforcement agents.

3. Everything contained in the Complaint is true and correct, to the best of my knowledge and belief.

I declare under penalty of perjury that the foregoing is true and correct.

Executed October 15, 2015 in Los Angeles, California.



ALBERT KEI  
SPECIAL AGENT